

$\$50k$   $i^4$   
 $36,000$  inheritance  
 monthly payments for 5 years  
 7.5% compounded monthly  
 Regular payment?  $R = ?$   
 $PV = 36,000$   
 $n = 5 \times 12 = 60$   
 $i = 0.075/12 = 0.00625$   

$$PV = R \frac{[1 - (1 + i)^{-n}]}{i}$$

$$36,000 = R \frac{[1 - (1 + 0.00625)^{-60}]}{0.00625}$$

$$36,000 = R \frac{[1 - (1.00625)^{-60}]}{0.00625}$$

$$36,000 = R \frac{[1 - 0.6866]}{0.00625}$$

$$36,000 = R \frac{[0.3134]}{0.00625}$$

$$36,000(0.00625) = R(0.3134)$$

$$225 = \frac{R(0.3134)}{0.3134}$$

$$700 = R$$
 Regular monthly payments of  $\$700$  for the next 5 years

Jan 9-8:48 AM